

Appropriations Sub-committee for Friday morning 2013

Good morning Chairman Cuffe and members of the sub-committee.
For the record I am Ron de Yong, Director of the Department of Agriculture.
Thanks for the opportunity to discuss the Montana Department of Agriculture (MDA).

We are a small agency both in employees and budget, but we are responsible for Montana's largest industry.

We have three divisions. The largest is our Agriculture Sciences Division with Greg Ames as Administrator. Our Agriculture Development Division is administrated by Deputy Director Joel Clairmont. Our Central Services Division is our smallest division. Please allow me to introduce Libbi Lovshin our Central Services Administrator.

Central Services takes care of our agency's human and financial resources such as payroll, benefits, hiring, IT (computers and phones), accountants, attorney, public information officer and the Director's office.

The Agriculture Development Division has four bureaus.

1. Examples of what the Marketing and Business Development Bureau does are as follows:
 - Trade missions to Russia with a return greater than \$20 million. Shipments to Kazakhstan and prospects for more former Soviet Union countries.
 - Facilitated diversification into peas and lentils leading to Montana becoming the number one producer in the nation.
 - Coordinate four Food and Agriculture Development Centers where producers wishing to add value to their raw commodity can get help with a business and marketing plan, health and safety permits and initial processing needs.
 - Opportunity for *Growth Through Agriculture* grants and loans to use as seed money. Competition for grants is quite rigorous. Both the Food and Agriculture Development Centers and our *Growth Through Agriculture* program play a critical role in the local food movement.

2. Examples of what our Rural Development Bureau does include:
 - State Hail Program, in 2011 25% of premium refunded, in 2012 40%
 - Administer state organizations for pulses, seed potatoes, sweet cherries, alfalfa seed
 - Montana *Agriculture in the Classroom* instructor writes agricultural curriculum and teaches 500 teachers per year, supplies materials to greater than 3000 teachers and thousands of students
 - Conducts a Young Ag Couples conference each year

3. Montana Wheat and Barley Committee examples are:

- Last four years wheat earned over a \$1B. In the last year the number of new elevators handling 110 car trains has increased by six to eighteen.
- Large malting barley facilities have increased with new storage being built at Power and existing storage at Sidney, Huntley and Fairfield. Malting barley going to Mexico will be stored at an elevator in Dutton in the future. Malting barley is turned into malt at a large facility in Great Falls. If you drink a Bud, Coors, Miller, Corona, or Dos Equis anywhere in world, there is a good chance it came from Montana malting barley. Senator Baucus mentioned yesterday that Montana one of the top two states in the nation for micro-breweries per capita.
- More research dollars are focusing on crop rotations which some producers say is diminishing their sawfly problem.

4. The State Grain Lab has:

- Successfully transitioned from experienced retiring commodity graders to newly licensed graders. Additional expenses were incurred while experienced graders stayed on to train the new graders.
- Working through a new transition with the increased workload from more pulses to grade which necessitated opening a satellite office in Plentywood.
- Completed a Long Range Building Energy upgrade.

Our Agriculture Sciences Division also has four bureaus.

1. Examples of what the Pest Management Bureau does are:

- Phyto-sanitary certifications for products shipped out of country
- Inspections to keep our bee and honey industry healthy
- Guarding against invasive insects, diseases, and even snails near Belt
- Guarding against both terrestrial and aquatic weeds
- Working with FWP on invasive species after the 2009 legislature and working with FWP and DNRC after the 20011 legislature

2. The Technical Services Bureau deals with pesticides:

- Register pesticides that chemical companies want to sell in Montana
- Test and register private and commercial applicators
- Monitor water with two hydrologists on staff
- Recycle pesticide containers

3. The Commodities Bureau does the following:

- Audits commodity dealers and warehouses to protect producers. A couple of years ago an oil crushing plant at Culbertson had quit paying producers. We had to liquidate them and ended up paying the producers full market value for their commodity.
- We do seed potato, fertilizer, and seed inspections for producers.
- We check feed from Canada for specified risk material that can cause mad cow disease

4. Our analytical lab:

- Tests water, feed, fertilizer, and for the presence of pesticides.
- Tests water for the U.S. government and other states for a fee.

In summary:

- Most of our staff positions require university degrees and specialized training.
- Our field staff efficiently provides quick and timely results.
- Our clients pay a fee for our services and work closely with and like our department regulators.
- Agriculture is dependent upon wide swings in the weather and prices which requires our department to be flexible. Just because one account did not use all the money this year does not mean we will not need it next year.